DOCUMENT RESUME

ED 441 117 CE 080 128

TITLE Ethics and Integrity. Symposium 27. [Concurrent Symposium Session at AHRD Annual Conference, 2000.]

PUB DATE 2000-03-08

NOTE 24p.; In: Academy of Human Resource Development (AHRD) Conference Proceedings (Raleigh-Durham, North Carolina, March 8-12, 2000); see CE 080 095.

PUB TYPE Collected Works - General (020) -- Speeches/Meeting Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.

DESCRIPTORS Adults; Business Administration; Delphi Technique; Educational Needs; Educational Philosophy; *Ethics; Human Resources; *Integrity; *Labor Force Development; Learning Strategies; Organizational Development; Postsecondary Education; *Social Responsibility; *Staff Development; Values Clarification

ABSTRACT

This packet contains three papers on ethics and integrity from a symposium on human resource development (HRD). The first paper, "Factors Influencing Ethical Resolution Efficacy: A Model for HRD Practitioners" (Kimberly S. McDonald), proposes a model of ethical resolution efficacy for HRD practitioners. The model suggests that factors related to the individual internal environment and the HRD profession will influence ethical resolution efficacy. The second paper, "Key Ethical Issues for Human Resource Development in the Future: A Delphi Study" (Julie C. Roberson, Barbara E. Hinton), reports on a study conducted to ascertain and gain consensus on key ethical issues facing HRD professionals in the future and whether HRD professionals consider corporate social responsibility an ethical issue to be faced in the future. Using the Delphi research method, a panel of experts arrived at consensus on 41 issues identified as ethical. The final paper, "The Social Responsibility Performance Outcomes Model" (Tim Hatcher), proposes a new conceptual model for HRD and Performance Improvement (PI) scholars and practitioners that addresses the critical need to develop PI and HRD interventions that are socially and environmentally responsible. The papers contain reference sections. (KC)

Reproductions supplied by EDRS are the best that can be made
from the original document.

ED 441 117

# 2000 AHRD Conference

# Ethics and Integrity

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY
M Donald Hatcher
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

## Symposium 27

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
☑ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

Raleigh-Durham, NC

March 8 - 12, 2000





BEST COPY AVAILABLE

CE 060 128

# Factors Influencing Ethical Resolution Efficacy: A Model for HRD Practitioners

*Kimberly S. McDonald*
*Indiana-Purdue University Fort Wayne*

*A model of ethical resolution efficacy for HRD practitioners is proposed. The model suggests that factors related to the individual, internal environment, and the HRD profession will influence ethical resolution efficacy. Recommendations for future research are discussed.*

Keywords: Ethics, Decision Making, Model

In recent years the HRD community has increased the dialogue regarding ethics in the field. Last year the Academy presented the first edition of its Standards on Ethics and Integrity (Burns, Dean, Hatcher, Otte, Preskill, & Russ-Eft, 1999). Hatcher (1999) has suggested that the "newest addition to the theoretical foundations of HRD" is ethics (p. 206). For several years, writers have proposed that HRD practitioners play a critical role in shaping the ethical climate of the organization and therefore, they must be cognizant of their own ethical behavior (Lowman, 1991; Rothwell & Sredl, 1992). While the dialogue has increased, a systematic investigation of ethics in human resource development has not yet occurred. The field needs to conceptualize how this investigation should proceed. This paper presents an initial step in developing this conceptual framework by presenting a model for examining those factors influencing HRD practitioners' ethical resolution efficacy.

## Problem Statement and Theoretical Background

The majority of the research that has been conducted examining ethics in HRD has focused on identifying potential ethical dilemmas. For example, Clement, Pinto, & Walker (1978) identified seven major categories of unethical behaviors observed by training and development practitioners. A list of thirteen ethical issues were generated by select members of ASTD for the ASTD Models for HRD Practice (McLagan, 1989). Others have identified ethical dilemmas facing organizational development consultants (DeVogel, 1992), adult educators (McDonald & Wood, 1993), and continuing higher education practitioners (Lawler & Fielder, 1993).

Beyond identifying dilemmas, the research has yielded little insight regarding how HRD practitioners resolve dilemmas and what influences their ability to resolve dilemmas. There are a few models available for practitioners to use as a tool when faced with a dilemma. The business literature provides many models to explain ethical and unethical behavior. For example, Brass, Butterfield, and Skaggs (1998) offered a fairly comprehensive model which emphasizes the importance of relationships in determining unethical behavior. Trevino (1986) suggested a model that combines both individual and situational variables that interact to explain and predict ethical decision making behavior. A few models have been developed specifically for practitioners in OD and adult education. For example, Gellermann, Frankel, & Ladenson (1990) developed a five-step model for ethical thought and action and Wooten & White (1983) proposed a model that examines how ethical dilemmas may occur in OD when the role of the change agent and the client system are in conflict. Brockett (1988), focused on three dimensions of ethical practice in adult education in his model: one's personal value system, consideration of multiple responsibilities, and operationalization of values. All of these models are limited in that they do not address issues most germane to HRD or they are limited in scope and do not include the myriad of factors that may potentially influence the ethical decision making process. In an article written specifically about ethics in organization development, DeVogel, Sullivan, McLean, & Rothwell (1994) wrote that "the OD literature yields little practical advice – or philosophical help - on resolving ethical dilemmas that OD consultants face" (p. 456). This remark also applies to the broader field of HRD.

*Copyright © 2000, Kimberly S. McDonald*

*Significance of the Problem*

As a young, merging discipline, still attempting to "define itself" (Shindell, 1999), HRD faces man y challenges regarding ethics. Several leaders of the Academy have discussed these challenges. Marsick, for example,
described how HRD professionals often are torn between helping employees and serving the organization in which they work. These "competing concerns" pose challenges to these practitioners.

Holton (1998) lamented the customer service orientation that frequently guides HRD practitioners. He wrote:

> . . .. many HRD organizations operate on the principle that customer service is top priority. When HRD operates from a paradigm of customer service, the tendency is to anchor practice in the core principle of customer service: ultimately the customer (the manager, trainee, and so on) is always "right" and gets what they want. The end result is that dumb, ineffective, and sometimes unethical practices are perpetuated and supported by HRD (p. 208).

He contends that often this customer service orientation becomes defined as "submitting to customer demands" which diminishes HRD's "power and influence" and does little to "guide practice" (p. 208).

Along with Holton, Swanson (1998) reinforced the need for HRD practitioners to make decisions based on sound theories. According to him, "It will take courage for HRD to stop being the *pharmacist* for the *management witch doctors* it is regularly asked to support. Instead of filling the prescriptions of *management witch doctors,* HRD professionals should advocate theoretically sound practices related to developing and/or unleashing human expertise in organizations for the purpose of improving performance" (p. 7).

Watkins (1994) described how issues of "professionalism" and "marginalization" represent major challenges to the field of HRD. While the field prides itself in being accessible to all, this openness can lead to unprofessional and/or unethical practices. Additionally, academics and practitioners in HRD often are marginalized, resulting in individuals feeling powerless, "separated," and "irrelevant" (pp. 298-299).

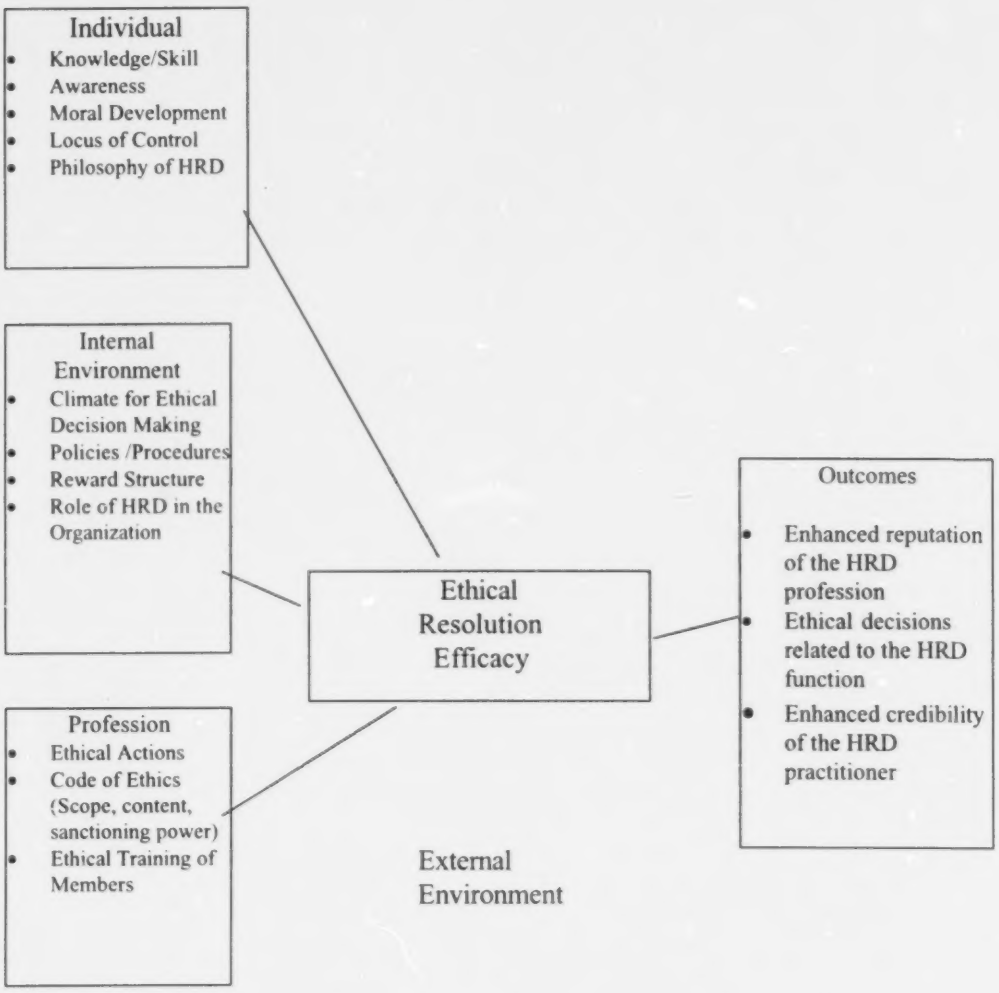
These concerns point to the need for a model of ethical decision making that takes into account the context in which HRD professionals practice and recognizes the specific issues that are salient due to the current state of the field as a profession. Therefore, the proposed model uses previous models and research that have addressed factors influencing the decision making process and proposes additional factors which may be important to HRD as it attempts to further define itself and facilitate ethical standards/conduct. Specifically this paper will investigate the following question: What factors influence ethical resolution efficacy for HRD practitioners? A review of the literature will be provided which will support the basic elements of the model. Also a brief discussion of recommendations for further research will be included.

**Proposed Model**

The preliminary model proposed in this paper focuses on ethical resolution efficacy, which is defined as a person's capability to resolve ethical dilemmas. Based on the concept of self-efficacy, a person's ethical resolution efficacy is likely to determine choice of activities, the effort one will expend in resolving a dilemma, and how long one will "sustain effort in dealing with stressful situations" (Bandura, 1977, p. 194). Individuals with high ethical resolution efficacy are likely to feel confident in choosing which activities to engage in or avoid and may feel more confident in their ability to handle activities that pose greater ethical risks. When faced with an ethical dilemma, these individuals are also likely to work harder and persist longer in resolving the issue.

Three antecedents will influence ethical resolution efficacy: characteristics of the individual, the organization's ethical environment, and the profession's views regarding ethics. These factors were developed based on a comprehensive review of the literature regarding ethical decision making behavior. An investigation of the business and HRD literature from the past 20 years was conducted. Two of the antecedents, characteristics of the individual and the organization's ethical environment, are well documented in the business literature as important factors to consider (e.g., Brass et al, 1998; Trevino, 1986). The third antecedent, the profession, and its influence on ethical decision making has not been investigated as thoroughly as the other antecedents. However, there is evidence that factors such as codes of ethics and peers will affect ethical decision making (see Figure 1).

Figure 1: A Model of Ethical Resolution Efficacy for the HRD Practitioner




***Characteristics of the Individual***

Trevino & Youngblood (1990) found that individual differences affected ethical decision-making behavior. Specifically, they found that locus of control and cognitive moral development influenced ethical decision-making behavior. Individuals with internal locus of control and those at the principled stage of cognitive moral development (Kohlberg's stages 5 and 6) behaved more ethically (p. 384). Trevino (1992, 1986) argued that Kohlberg's model of cognitive moral development contributes significantly to our ". . . understanding how managers think about ethical dilemmas"(1986, p. 602). Hegarty & Sims (1978, 1979) found individual variables such as foreign nationality and Machiavellianism were positively related to unethical decision making behavior.

Additionally, an individual's knowledge and awareness of ethical issues should influence their capability to resolve ethical dilemmas. Most of the research has examined if years of education, type of education, employment background or years of employment influence ethical decision making. In a review of the literature regarding ethical decision making, Ford & Richardson (1994) concluded that the results are mixed as to the relationship between education, employment and ethical behavior and 'the scarcity of empirical work makes it difficult to conclude anything other than further study is warranted . . ."(pp. 210-211). This model advocates that one's specific knowledge and awareness of ethical issues rather than education level, type of education, or

employment experience will influence their ethical decision making efficacy. Both Lawler & Fielder (1993) and McDonald & Wood (1993) reported a large number of their respondents (adult educators, continuing educators, and HRD practitioners) could not or would not cite any ethical problems in their practice. Lawler & Fielder (1993) wrote: "Every job and every organization has ethical problems, although some more than others. The ability to recognize these ethical problems is dependent on the ethical sensitivity and knowledge of the observer" (p.31).

A well-defined philosophy of HRD will also influence a person's efficacy regarding ethical dilemma resolution. Very few research studies have examined this dimension to determine if it relates to ethical decision making. Hegarty & Sims (1978, 1979), using the Allport, Vernon, and Lindsey Study of Values found that individuals reporting an economic value orientation were less ethical. Hiemstra (1988) suggested that among other reasons, a personal philosophy helps the practitioner distinguish, separate, and understand personal values (p. 179). A philosophy that has been developed by reflecting on one's practice and applying one's knowledge of good HRD practices can assist the professional as he/she works through ethical dilemmas.

***Internal environment***

The ethical orientation of the organization in which the HRD practitioner works will also influence ethical resolution efficacy. In a qualitative study examining HRD professionals responses to specific ethical dilemmas, McDonald (1995) found that individuals employed in companies with strong corporate codes of ethics had little difficulty determining how they would handle the dilemma presented to them. Some researchers have found the presence of a code of conduct is positively related to ethical behavior (Hegarty & Sims, 1979; McCabe & Trevino, 1993) and McCabe, Trevino, & Butterfield (1996) found that the existence of a corporate code of ethics was negatively related to unethical behavior in the work environment.

Corporate policies regarding ethics, reward systems, as well as punishment of unethical behavior help to shape the climate for ethical decision making within an organization (Hegarty & Sims, 1978; Hegarty & Sims, 1979; Laczniak & Inderrieden, 1987; Trevino & Youngblood, 1990). For example, Hegarty & Sims (1978) found that when unethical decision making is rewarded, ethical decision behavior was lower. Laczniak & Inderrieden (1987) wrote of the need to make sanctions explicit:

> It seems increasingly clear that the proposed sanctions must be made evident and the particular behaviors which are prohibited must be clearly identified. This approach is appealing from an implementation standpoint because it focuses upon modifying the organizational environment to enhance ethical actions rather than in trying to monitor every possible situation where there might be a temptation to behave unethically (p. 304).

Additionally, Brass, Butterfield, and Skaggs (1998) have proposed a social network perspective to explain unethical behavior in organizations. This perspective may be applied to the HRD function in terms of its relationship with others in the organization. Examining factors such as status, reputation, surveillance, etc. may suggest a propensity to behave more or less ethical. If HRD practitioners are indeed "marginalized" and "isolated" within organizations, how might this influence their ethical decision making efficacy? While Brass et al. (1998) have proposed a model and list of propositions, empirical research needs to be conducted to determine how social networks may influence ethical conduct.

***Profession***

Finally, the prevailing attitudes and behaviors demonstrated by members of the HRD field will influence ethical resolution efficacy. Research indicates that peers, for example, influence ethical decision making. McCabe & Trevino (1993), in a study done with college students, found that peers' behavior had a stronger influence on academic dishonesty than the existence of an honor code, the understanding and acceptance of academic integrity policies, and the enforcement of ethical guidelines. In HRD determining who are influential peers becomes problematic. Does the practitioner perceive his/her peers as individuals within the organization in which one works? Or does the practitioner perceive his/her peers as other HRD professionals?

HRD practitioners employed within an organization may find that the organization's code of ethics assists them in resolving ethical dilemmas. However, many of these codes will not address issues specific to HRD. A code for HRD practitioners is likely to enhance ethical resolution efficacy. According to Frankel (1989), "a profession's code of ethics is perhaps its most visible and explicit enunciation of its professional norms" (p. 110). Professional codes serve a variety of functions. They assist in the socialization process of the professional, act as a

deterrent to unethical behavior, and serve as an "enabling document" (Frankel, 1989, p. 111). However, the existence of a code will not ensure individuals will behave ethically. Laczniak & Inderrieden (1987) found that when clear sanctions were included with a code of ethics respondents demonstrated more ethical decision making behavior. McCabe et al. (1996) concluded that a code will influence employee behavior when it is "strongly implemented and embedded in the organizational culture" (p. 473).

The proposed model also suggests that educational programs that build awareness, knowledge, and skill in handling dilemmas will influence ethical resolution efficacy as well. Research examining the impact of ethics training on decision making has had mixed results. In a study of psychologists, Haas, Malouf, & Mayerson (1988) found that more formal ethics training did not affect ethical decision making. However, they were cautious in their reporting of this finding, suggesting further research should be done regarding this issue. Tannenbaum, Greene, & Glickman ((1989) reported that those psychologists in their study that were older and/or in faculty positions used more "complex ethical reasoning" than younger, student participants (p. 234). They concluded their discussion suggesting that "ethical reasoning processes" be included in ethics training.

***External Environment***

All of these factors will be influenced also by the external environment. For example, government regulations, market demand, and competition will influence the ethical climate of the organization and the individuals working within the organization. Hegarty & Sims (1978) found that increased competition correlated with increased unethical behavior. However, very few studies have examined how external factors such as competition influence ethical decision making (Ford & Richardson, 1994).

Finally, the model proposes that ethical resolution efficacy should result in three important outcomes: enhanced reputation of the HRD field, ethical decisions made related to the HRD function, and enhanced credibility of the HRD practitioner. Very few models focusing on ethical decision making /ethical behavior suggest outcomes beyond effective decision making or more ethical behavior. However, literature suggests that ethical behavior is a critical component of credibility (e.g. Kouzes & Posner, 1995). Therefore, it makes sense to include in our models what our ultimate goals are in investigating and promoting ethical behavior.

**Recommendations for Research**

This paper proposes an ethical decision making model for HRD practitioners. While the model includes many factors found in other models, it is different in the following ways:

1. its focus on how the profession may influence ethical resolution efficacy;
2. it suggests the practitioner's philosophy of HRD may affect ethical resolution efficacy; and
3. it proposes that the power and status of the HRD function within the organization may influence efficacy as well.

Additionally, this model introduces the concept of ethical resolution efficacy, which suggests the ability to make ethical decisions in many situations. It will be important to operationalize this concept. One possible means of doing this is through analyses of individuals' ethical reasoning employed when given scenarios depicting various dilemmas facing HRD practitioners.

It is critical for the HRD field to move beyond the descriptive research that has been conducted examining ethical dilemmas facing practitioners. Many of the factors discussed in this paper have been investigated with samples consisting of students, psychologists, and others in business environments. Virtually none of these studies have been replicated using HRD practitioners.

The three factors listed above that distinguish this model from others need to be investigated. For example, does having a philosophy influence one's ability to resolve ethical dilemmas or does a certain philosophical orientation likely to increase ethical resolution efficacy? Do identity issues (e.g., identifying with profession v. identifying with organization in which one work) influence one's ability to resolve ethical dilemmas? Are individuals who have formalized training in HRD ethics, better able to resolve ethical dilemmas than their peers who have not received training? These are just a few of the types of questions that might be researched as HRD scholars begin their investigation.

As the field of HRD matures, concerns regarding professionalization, credentialing, and ethical behavior are likely to increase. The Academy has taken an important first step in presenting its Standards on Ethics and

Integrity. It is time to begin a thorough exploration of ethical reasoning and ethical behavior in human resource development.

**References**


Bandura, A. (1977). Self efficacy: Toward a unifying theory of behavioral change. *Psychological Review, 84*(2): 191-215.

Brass, D.J., Butterfield, K.D. & Skaggs, B.C. (1998). Relationships and unethical behavior: A social network perspective. *The Academy of Management Review, 23*(1): 14-31.

Brockett, R.G. (1988). Ethics and the adult educator. In *Ethical Issues in Adult Education,* (Ed., R.G. Brockett). 1-16. New York: Teachers College, Columbia University.

Burns, J.Z., Dean, P.J., Hatcher, T. Otte, F. L., Preskill, H., & Russ-Eft, D. (1999). Standards on ethics and integrity, 1st edition. *Academy of HRD 1999 Conference Proceedings* (vol. 2).

Clement, R.W., Pinto, P.R. & Walker, J.W. (1978). Unethical and improper behavior by training and development professionals. *Training and Development Journal, 32*(12), 10-12.

DeVogel, S.H. (1992). *Ethical decision making in organization development: Current theory and practice.* Unpublished doctoral dissertation, University of Minnesota.

DeVogel, S.H., Sullivan, R., McLean, G.N. & Rothwell, W. J. (1994). Ethics in OD. In *Practicing Organization Development* (Eds. Rothwell, W.J., Sullivan, R. & McLean, G.N), 445-489.

Ford, R.C. & Richardson, W.D. (1994). Ethical decision making: A review of the empirical literature. *Journal of Business Ethics, 13*: 205-221.

Frankel, M.S. (1989). Professional codes: Why, how, and with what impact? *Journal of Business Ethics, 8*:109-115.

Gellermann, W., Frankel, M.S. & Ladenson, R.F. (1990). *Values and ethics in organization and human systems development.* San Francisco: Jossey-Bass.

Haas, L., Malouf, J. & Mayerson, N. (1988). Personal and professional characteristics as factors in psychologists'ethical decision making. *Professional Psychology: Research and Practice, 19*(1): 35-42.

Hatcher, T. (1999). Reorienting the theoretical foundations of human resource development: Building a sustainable profession and society. *Academy of HRD 1999 Conference Proceedings* (vol. 1): 202-208.

Hegarty, W. H. & Sims, H.P. (1978). Some determinants of unethical decision behavior: An experiment. *Journal of Applied Psychology, 63*(4): 451-457.

Hegarty, W.H. & Sims, H.P. (1979). Organizational philosophy, policies and objectives related to unethical decision behavior: A laboratory experiment. *Journal of Applied Psychology, 64*(3), 331-338.

Hiemstra, R. (1988). Translating personal values and philosophy into practical action. In *Ethical Issues in Adult Education,* (Ed. R.G. Brockett). 178-194. New York: Teachers College, Columbia University.

Holton, E.F. (1998). Customer service is not the best model for HRD practice. *Human Resource Development Quarterly, 9*(3): 207-209.

Kouzes, J. & Posner, B. (1995). *Credibility: How leaders gain and lose it, why people demand it.* San Francisco: Jossey-Bass.

Laczniak, G.R. & Inderrieden, E.J. (1987). The influence of stated organizational concern upon ethical decision making. *Journal of Business Ethics, 6*: 297-307.

Lawler, P. & Fielder, J. (1993). Ethical problems in continuing higher education: Results of a survey. *Journal of Continuing Higher Education, 41*(1): 25-33.

Lowman, R.L. (1991). Ethical human resources practice in organizational settings. In *Working with Organizations and Their People,* (Ed. Bray, D.W. and associates), 194-217.

Marsick, V.J. (1997). Reflections on developing a code of integrity for HRD. *Human Resource Development Quarterly, 8*(2): 91-94.

McCabe, D.L. & Trevino, L.K. (1993). Academic dishonesty: Honor codes and other contextual influences. *Journal of Higher Education, 64*(5): 522-538.

McCabe, D.L.; Trevino, L.K. & Butterfield, K.D. (1996). The influence of collegiate and corporate codes of conduct on ethics-related behavior in the workplace. *Business Ethics Quarterly, 6*(4): 461-476.

McDonald, K.S. (1995). An examination of HRD practitioners' reasoning regarding ethical dilemmas. *Academy of HRD 1995 Conference Proceedings,* 15-3.

McDonald, K.S. & Wood, G.S. (1993). Surveying adult education practitioners about ethical issues. *Adult Education Quarterly, 43*(4), 243-257.

McLagan, P.A. (1989). *Models for HRD practice: A manager's guide.* Alexandria: American Society for Training and Development.

Rothwell, W.J. & Sredl, H.J. (1992). *The ASTD reference guide to professional human resource development roles and competencies – Volume 1* (2nd ed.). Amherst, MA: HRD Press.

Swanson, R. (1998). The which doctor's pharmacist. *Human Resource Development International, 1*(1): 7-8.

Tannenbaum, S.I., Green, V.J. & Glickman, A.S. (1989). The ethical reasoning process in an organizational consulting situation. *Professional Psychology: Research and Practice, 20*(4): 229-235.

Trevino, L.K. (1986). Ethical decision making in organizations: A person-situation interactionist model. *Academy of Management Review, 11*(3): 601-617.

Trevino, L.K. (1992). Moral reasoning and business ethics: Implications for research, education, and management. *Journal of Business Ethics, 11*: 445-459.

Trevino, L.K. & Youngblood, S.A. (1990). Bad apples in bad barrels: A causal analysis of ethical decision-making behavior. *Journal of Applied Psychology, 75*(4): 378-385.

Watkins, K.E. (1994). On being both academic and relevant. *Human Resource Development Quarterly, 5*(4): 297-300.

Wooten, K.C. & White. L.P. (1983, April). Ethical problems in the practice of organization development. *Training and Development Journal*, 16-23.

# Key Ethical Issues for Human Resource Development in the Future: A Delphi Study

*Julie C. Roberson, Ed.D.*
*Hannah Candle Company*

*Barbara E. Hinton, Ed.D.*
*University of Arkansas*

*The purpose of this study was to ascertain and gain consensus on key ethical issues facing human resource development (HRD) professionals in the future. Secondary purposes were to identify ethical issues meriting further research and to determine if HRD professionals considered corporate social responsibility an ethical issue to be faced in the future. The Delphi research method was used. The panel of experts arrived at consensus on 41 issues identified as ethical.*

Keywords: Ethics Issues, Corporate Social Responsibility, Human Resource Development

America is entering a new economic order (Carnevale, 1991). The new market standards are the result of both economic and social changes in America and around the world. These changes are altering the way we conduct business and even the way the workplace looks. Rapid advances in technology, globalization, downsizing, corporate restructuring, environmentalism, and social responsibility are just some of the factors driving change. Because of the changes, ethical issues are arising more frequently and must be identified and addressed. This new economy presents challenges to American business. New values of environmentalism and social responsibility have already begun the greening of the new economic competition. Moreover, these new values are at the heart of an emerging global consciousness. Honesty, integrity, and service to others are becoming good business (Carnevale, 1991). Little has been done to update or re-define key ethical issues in Human Resource Development (HRD) since McLagan (cited in Rothwell & Sredl, 1992) identified thirteen major ethical issues associated with HRD in 1989. The most recent effort was the AHRD Standards of Ethics and Integrity, where a six-member task force identified general principles that include competence, integrity, professional responsibility, respect for people's rights and dignity, concern for others' welfare and social responsibility. The code also addresses standards that are divided into seven areas: general standards, research and evaluation, advertising and other public statements, publication of work, privacy and confidentiality, teaching and facilitating and resolution of ethical issues and violations (Burns et al., 1999).

Consensus of HRD professionals concerning key ethical issues is necessary if a base for ethics is to be accepted by the profession. If the field of HRD is ever going to be considered a true profession, a standardized code of ethics must be established to govern the field. For a code to be established, a consensus must be reached by HRD professionals regarding identification of key ethical issues. This study attempted to identify and gain consensus on key ethical issues from professionals in the HRD field.

Because of the design of HRD work, knowledge of ethics is important. HRD professionals are often responsible for organizational and individual development. These responsibilities call for assisting individuals in their socialization into the work environment and also for developing organizational codes of ethics. HRD professionals need to broaden their knowledge of ethics so they can assist organizations in achieving their own goals in an ethical manner. To be considered a true profession, it is imperative for a profession to have a code of ethics (Zemke, 1996). At the present time, the field of HRD does not have a standardized code of ethics. Thus, a need exists for a uniform code of ethics to govern the HRD profession.

## Theoretical Framework

Ethics has become an area of major concern for America. Every day on the news, we hear about individual and corporate behavior that is unethical. This onslaught of information from the media has created some unrest in the American people as to whether or not business today has morals and values. Society's confidence in the integrity of business and industry has eroded significantly over the past twenty years. In 1968, 70 percent of Americans believed

*Copyright © 2000, Julie C. Roberson & Barbara E. Hinton*

that "business leaders were honestly attempting to strike a balance between shouldering appropriate social responsibility and pursuing profits" ( Rothwell & Sredl, 1992, p. 189). In 1986, only 20 percent felt that way. The human resource development (HRD) function in an organization is an internal development function that plays a primary role in enhancing the performance and long-term sustainability of organizations. As a function responsible for enhancing organizational effectiveness, HRD has the potential to help cultivate organizations that positively influence communities, society, and the environment (Hatcher, 1997), thus also cultivating ethical organizations. The concept of corporate social responsibility (CSR) is gaining increasing attention. From the literature, it can be argued that CSR is an ethics issue that should be addressed by the HRD field. However, it is not yet clear as to whether or not HRD professionals consider CSR to be an issue.

HRD professionals often have the responsibility of designing company codes of ethics or conduct and training employees on those particular company codes. For this reason, they need to have a working knowledge of ethics and have the ability to train employees to comply with ethics codes or legal requirements (Rothwell & Sredl, 1992). The ethical climate of an organization can affect employee motivation, which in turn affects productivity and employee performance.

## Research Questions

The purpose of this study was to ascertain and gain consensus on key ethical issues facing HRD professionals in the future. A second purpose was to determine if HRD professionals considered corporate social responsibility a pressing ethical issue in their field.

The research questions addressed in the study are: What key ethical issues do HRD professionals foresee facing in the future? What is the consensus concerning the perception of the importance of the ethical issues? Do HRD professionals view corporate social responsibility as a pressing ethical issue in the field?

## Methodology

This Delphi study was conducted from an interpretivist perspective (Geertz, 1973, 1980). The interpretivist seeks an informed and sophisticated understanding and explanation of actual meanings for study participants –meanings of events, situations, and actions or behaviors. Focus on meaning is central to what is known as the "interpretive" approach or the interpretivist perspective (Geertz, 1973; Maxwell, 1996). By bringing together the individual experiences and expert opinions of a panel of HRD experts, consensus was reached regarding ethical issues to be faced by HRD professionals in the future.

### *Delphi as a Research Method*

The Delphi method was originally developed by the RAND Corporation to predict future military defense needs (Lindstone & Turoff, 1975). The Delphi method is a process for formulating a group judgment for subject matter where conclusive information is lacking (Cochran, 1983). Delbecq, Van de Ven, and Gustafson (1975) define the Delphi method as "a method for the systematic solicitation and collection of judgments on a particular topic through a set of carefully designed sequential questionnaires interspersed with summarized information and feedback of opinions derived from earlier responses" (p.10). It is useful in gathering data from subject-matter experts without requiring face-to-face contact. The method was especially useful in this study because it helped pool the opinions of a group of HRD experts from across the country without getting them together or forcing the researcher to travel to the different experts' locations to gather data.

The Delphi procedure consists of gathering individual answers to pre-formulated open-ended questions usually by questionnaire, using multiple rounds of questionnaires where the information feedback between rounds is carefully controlled by the researcher, and presenting statistical group responses (Cochran, 1983).

*Appropriateness of the Delphi*

Lindstone (1975) states that one or more of the following applications call for the use of the Delphi method. The problem does not lend itself to precise analytical techniques but can benefit from subjective judgments on a collective basis. The individuals needed to contribute to the examination of a broad or complex problem have no history of adequate communications and may represent diverse backgrounds with respect to experience or expertise. More individuals are needed than can effectively interact in a face-to-face meeting. Time and costs make frequent group meetings difficult. A supplemental group communication process can increase the efficiency of face-to-face meetings. Disagreements among individuals are so severe that the communication process must be refereed or assured anonymity. The heterogeneity of the participants must be preserved to assure validity of the results; i.e., avoidance of domination by quantity or by strength of personality (bandwagon effect).

The major disadvantage or limitation of the Delphi method is the selection of participants. The sample must include those who are willing to participate, familiar with the subject matter, willing to donate their time, and at the same time, capable of being randomly selected in the interests of validity (Cochran, 1983).

*Delphi Procedures*

The Delphi method begins with identifying a group of individuals who have knowledge of the subject under study (Cochran, 1983). After the potential panel members are identified, a request to participate is issued. The researcher contacts potential panel members and explains the Delphi method. Included in the explanation is information regarding the subject of the study and the amount of time required for participation. The request includes the characteristics of the Delphi method and assures anonymity for each member. According to Uhl (1983), the request to participate should be extended by someone whom the individuals respect and should include the importance of the study.

Upon identification of the panel of experts, the researcher then uses multiple rounds of questionnaires to collect data (Murry & Hammons, 1995). The first round typically uses open-ended questions to obtain opinions of a panel of experts regarding a particular topic or issue under study. Murry and Hammons describe this round as an "anonymous brainstorming session" (p. 424). After the questionnaires are returned, the researcher analyzes the data and uses that analysis to design the questionnaire for the next round. In this round, participants are asked to rate or rank, to edit and to comment upon the responses from the initial round. Most often, participants are asked to rank the items using a Likert scale. Upon receipt of the second round of questionnaires, the researcher conducts statistical analysis, most often computing frequency distributions, means and standard deviations (Murry & Hammons, 1995). Cochran (1983) uses the median and indicates that the Delphi responses should tend to move more toward the median with each administration of a Round II type questionnaire.

*Sample Selection*

The population for this study was the Academy of Human Resource Development (AHRD). Systematic sampling was used to select expert panel members through the use of a random table of numbers. Because attrition was likely to occur, it was decided to include 100 participants in the original sample. One hundred AHRD members were selected, contacted by electronic mail (e-mail) and asked to participate. Sixty-five agreed to participate.

*Data Analysis*

The Round I instrument yielded 359 responses from 51 respondents. Sixty-four issue statements were identified from the responses to the open-ended question in Round I. The Round II questionnaire consisted of the 64 issue statements along with an added five-point Likert scale. The Delphi panel was asked to rate each issue statement indicating its level of importance within the field of HRD in the future with 5 indicating Very Important and 1 indicating Very Unimportant.

As a result of comments from participants after Round II, the researcher revised the questionnaire. The Round III questionnaire included 65 issue statements with two parts for each issue: 1) Is this an ethical issue? and 2) If yes, how important is the issue? Simple majority of the panel members indicated that 41 of the 65 issue statements were future ethical issues in the field of HRD. The ratings of the issues were statistically analyzed to determine frequency distributions, means and standard deviations. Round IV was sent to 10 panel members whose ratings did not fall within the range of the majority. Those panel members received their individual scale responses and the group responses for each item in which their responses differed from the majority. They were then given an opportunity to

revise their individual scale response based upon any new insights or upon review of the statistical group response.

**Findings**

***Analysis of the Round I Questionnaire Responses***

The 51 questionnaires returned in Round I were used to identify a list of future ethical issues. The questionnaires yielded 359 raw responses to the question: What key ethical issues or dilemmas do you foresee HRD professionals facing in the future? The raw responses were then coded by three graduate students using selective coding (Strauss & Corbin, 1990). The researcher then analyzed the codings, which resulted in 23 categories displayed in Table 1.

Table 1 Round I -- Analysis of Categories

| Categories | | # of Times Mentioned |
|---|---|---|
| 1. | Honesty, integrity, professionalism/accountability | 68 |
| 2. | Program development, training vs nontraining interventions, training for training sake | 64 |
| 3. | Skills/knowledge/expertise | 57 |
| 4. | Personnel issues | 51 |
| 5. | Cultural/ethnic diversity/globalization | 39 |
| 6. | Social issues | 39 |
| 7. | Balance | 33 |
| 8. | Inappropriate use of data | 33 |
| 9. | Technology | 33 |
| 10. | Research | 30 |
| 11. | Worker/learner | 30 |
| 12. | Bottom line | 24 |
| 13. | Strategic alignment | 24 |
| 14. | Changing role of HRD professional | 21 |
| 15. | Program evaluation | 18 |
| 16. | Setting fees | 18 |
| 17. | Management | 18 |
| 18. | Certification | 12 |
| 19. | Work environment | 12 |
| 20. | Organizational change | 12 |
| 21. | Academia | 12 |
| 22. | Intellectual property | 9 |
| 23. | Professional liability insurance | 6 |

The researcher analyzed the data further, using the 23 categories to assist in the elimination of duplication and repetition. This analysis resulted in 64 issue statements. A Likert scale was added to the 64 issue statements to create the Round II questionnaire. The participants were asked to indicate the level of importance of the future ethical issues within the field of HRD by selecting a rating from the Likert scale following the issue statement, a point scale ranging from one to five, with five indicating very important and one indicating very unimportant.

***Analysis of the Round II Data***

Of the 51 Round II questionnaires sent, 43 were returned. Upon receipt of responses to Round II, the researcher statistically analyzed each item from the questionnaire to determine a measure of central tendency and a measure of variability. Statistical analysis was conducted using SAS. For each questionnaire item, frequency distributions, means and standard deviations were computed. However, after analyzing comments made by the panel members, the researcher determined that revisions to the Round II questionnaire were necessary to gather the appropriate data. Issue #12 (dealing with uncooperative and/or unmotivated employees) was criticized for being two issues in one statement. Panel members had also commented that some of the issue statements listed were not ethical issues but

rather were roles and responsibilities of the HRD professional. For this reason, the researcher deemed it necessary to revise the questionnaire.

***Analysis of the Round III and Round IV Data***

The Round III questionnaire included each item from Round II with one additional issue resulting from the split of issue #12. Participants were asked to make two determinations for each issue: 1) Is this an ethical issue? and 2) if so, how important is it? Of the 43 Round III questionnaires sent using electronic mail (e-mail), 31 were returned. Using SAS, each item was statistically analyzed to determine which issues were considered by simple majority to be future ethical issues in the field of HRD. Also computed were frequency distributions, means and standard deviations. Round IV was sent to the 10 panel members whose ratings did not fall within the range of the majority. Participants received their individual scale responses and the group responses for each item in which their responses differed from the majority. They were then given an opportunity to reconsider their individual scale response based upon any new insights or upon review of the statistical group response. Of the 10 Round IV questionnaires sent via e-mail, nine were returned. Using SAS, each item was statistically analyzed to determine frequency distributions, means and standard deviations. The issue statements whose analysis changed are noted by asterisk (*) in Table 2 and Table 3. Table 2 shows 25 of the 41 issue statements identified by the majority of the panel members as future ethical issues. The means of these 25 issues ranged from "4" (important) to "5" (very important).

Table 2 Round IV -- Important to Very Important Ethical Issues (descending order by Mean)

| Issue | N | Mean | SD |
|---|---|---|---|
| 1. Recognizing people/employees as valuable resources to organizational survival. | 21 | 4.71 | .56 |
| 23. Maintaining appropriate confidentiality. | 31 | 4.61 | .72 |
| 45. Using power appropriately. | 29 | 4.59 | .57 |
| 24. Maintaining professional honesty and integrity in practice, research, and teaching. | 30 | 4.57 | .73 |
| 25. Setting a leadership example. | 17 | 4.53 | .80 |
| 49. Respecting the rights, dignity, and worth of all people. | 30 | 4.47 | .78 |
| *10. Ensuring fairness in hiring, terminating, promoting, and developing employees in a vastly diverse workforce. | 30 | 4.40 | .81 |
| 4. Balancing organizational and individual needs and interests. | 23 | 4.39 | .66 |
| 2. Balancing the desire of management to see financial, bottom-line results with people-oriented and people-friendly policies and practices. | 25 | 4.36 | .70 |
| 9. Respecting copyrights, sources, and intellectual property. | 29 | 4.31 | .89 |
| 8. Using data appropriately. | 31 | 4.29 | .86 |
| *39. Applying evaluation findings in a fair and ethical manner. | 30 | 4.23 | .90 |
| *63. Balancing the conflicting organizational demands of humanistic concerns and economic outcomes. | 30 | 4.23 | .82 |
| 35. Developing valid and reliable diagnostic instruments when none are available. | 17 | 4.12 | .86 |
| 40. Promoting a more humane workplace. | 25 | 4.12 | .83 |
| 52. Working within the scope of one's competence. | 26 | 4.12 | .71 |
| 41. Creating a learning environment that meets the needs of the organization and accommodates employee learning styles and abilities. | 18 | 4.11 | .58 |
| *29. Managing personal biases. | 28 | 4.11 | .79 |
| 31. Being sensitive to the direct and indirect effects of interventions and acting to address | | | |

| | | | |
|---|---|---|---|
| negative consequences. | 25 | 4.08 | .86 |
| 15. Avoiding age, gender, race, ethnicity, national origin, religion, sexual orientation, disability, language, or socioeconomic status discrimination. | 29 | 4.07 | .92 |
| *21. Ensuring that training or non-training interventions meet the customer/organization's needs. | 27 | 4.07 | 1.04 |
| *22. Ensuring that training or non-training interventions are well informed by or grounded in sound theory. | 28 | 4.07 | .81 |
| 53. Responding to changing HRD roles and responsibilities through continuous, research-based professional development. | 18 | 4.06 | 1.11 |
| 34. Selecting appropriate diagnostic instruments. | 21 | 4.05 | .86 |
| 56. Showing respect for, interest in, and representation of individual and population differences. | 27 | 4.04 | .76 |

The means from the 25 issues listed in Table 2 ranged from the "4" (important) to "5" (very important) range. As a result of Round IV the mean of issue #22 increased to 4.07, moving it into the important to very important range. Although means of other issues increased, only issue #22 changed enough to move it to a different category. Table 3 shows 16 of the 41 issue statements identified by the majority of the panel members as future ethical issues. The means of these 16 issues ranged from "3" (moderately important) to "4" (important).

Table 3 Round IV -- Moderately Important to Important Ethical Issues (descending order by Mean)

| Issue | N | Mean | SD |
|---|---|---|---|
| 42. Using technology appropriately in regard to copyright, privacy, access to information, and knowledge management issues. | 30 | 3.97 | .81 |
| *32. Rejecting inappropriate requests. | 27 | 3.93 | .92 |
| 61. Assisting organizations in balancing the good of the organization with the good of the community. | 30 | 3.93 | .78 |
| 26. Avoiding conflicts of interest. | 28 | 3.89 | .79 |
| *64. Addressing work/life balance issues of the worker. | 25 | 3.84 | 1.03 |
| 28. Using subject matter experts effectively as related to labor laws, civil rights, safety, machine operation or other legal issues. | 18 | 3.83 | .92 |
| 55. Addressing diversity in the workplace. | 25 | 3.80 | .82 |
| *27. Documenting efforts to facilitate the provision of services, ensure accountability, and meet institutional and legal requirements. | 19 | 3.79 | 1.27 |
| 57. Understanding the essences of other cultures and ensuring that they are integrated into our theories and knowledge base. | 19 | 3.79 | .92 |
| 65. Managing tension between change and individual rights and dignity. | 28 | 3.79 | .92 |
| 14. Determining when and under what conditions to stop investing in people. | 18 | 3.78 | .94 |
| *33. Maintaining HRD role competence. | 18 | 3.78 | 1.06 |
| 58. Accommodating multicultural differences in a globalized work environment. | 22 | 3.77 | .81 |
| *43. Accommodating employees' differing skill levels and accessibility to technologies. | 17 | 3.65 | .86 |
| *62. Furthering a social justice agenda. | 22 | 3.36 | 1.00 |
| *3. Pricing products and services fairly. | 21 | 3.33 | .91 |

***Summary of Findings***

According to this Delphi panel of experts, there are several ethical issues facing HRD professionals. Fifty-one panel members responding to Round I identified 359 raw responses to the question: What key ethical issues or dilemmas do you foresee HRD professionals facing in the future? The 359 raw responses were categorized using selective coding. Twenty-three categories were identified to assist the researcher in eliminating duplication and repetition.

Round III resulted in the elimination of 24 of the 65 issue statements. The issue statements dismissed as not being ethical were consistent with the roles and responsibilities of the HRD professional as defined by Rothwell and Sredl (1992) in The ASTD Reference Guide. Those issues eliminated included developing appropriate methods of retention, maintaining quality work force, evaluating HRD policies and practices, ensuring that management understands and supports HRD issues and activities, providing timely, equitable, and efficient employee training, identifying well-qualified consultants, and preparing organizations for strategic alignment. The findings regarding the issues dismissed as not being ethical were expected. However, the researcher did not expect to see so many of the panel members not agreeing that certification or setting standards for the profession were ethical issues to be faced by HRD professionals. Eighty-one percent of panel members responded that licensing or certification of the HRD profession is not a future ethical issue. Sixty-eight percent responded that determining qualifications and requirements for certification is not a future ethical issue, and 58 percent responded that setting standards for the profession is not a future ethical issue.

The principles in the AHRD standards are not as specific as the issues identified in this study. Also included are general standards (boundaries of competence, maintenance of expertise, basis for research and professional judgments, description of HRD professionals' work, respecting others, nondiscrimination, exploitative relationships, misuse of HRD professionals' work, multiple relationships, consultations and referrals, third party request for services, delegation to and supervision of subordinates, documentation of professional and research work, records and data, fees and financial arrangements, accuracy in reports to payers and funding sources and referral fees), research and evaluation, advertising and other public statements, publication of work, privacy and confidentiality, teaching and facilitating, and resolution of ethical issues and violations.

Round III resulted in the identification of 41 future ethical issues facing HRD professionals. The issues were similar to those identified by McLagan in 1989. In fact, all but one of McLagan's issues were addressed in the 41 issues identified by the panel of experts. The one issue not mentioned by this study's panel of experts was ensuring customer and user involvement, participation, and ownership. Issues relating to personnel that were not addressed by McLagan included: Ensuring fairness in hiring, terminating, promoting, and developing employees in a vastly diverse workforce (4.40); determining when and under what conditions to stop investing in people (3.78); and avoiding age, gender, race, ethnicity, national origin, religion, sexual orientation, disability, language, or socioeconomic status discrimination (4.07). These issues were probably not addressed by McLagan because much of the legislation regulating many of these issues occurred after the conclusion of her study. Adding to the dilemmas are issues such as religion and sexual orientation, which are not regulated by law and which have come to the forefront since McLagan's study. McLagan (1989) also did not address social issues. Social issues identified in this study included: Respecting the rights, dignity, and worth of all people (4.47); recognizing people/employees as valuable resources to organizational survival (4.71); balancing the conflicting organizational demands of humanistic concerns and economic outcomes (4.23); assisting organizations in balancing the good of the organization with the good of the community (3.93); promoting a more humane workplace (4.12); furthering a social justice agenda (3.36); addressing work/life balance issues of the worker (3.84); and managing tension between change and individual rights and dignity (3.79). However, the literature and the findings of this study suggest a move toward a greater awareness of social responsibility.

McLagan's study also did not address ethical issues relating to technology. There have been many advances in technology since 1989 when McLagan published her 13 major ethical issues. Today's technological advances enable information and events around the world to be transmitted instantaneously. The panel of experts from this study identified using technology appropriately in regard to copyright, privacy access to information and knowledge management issues (3.97) as being a future ethical issue.

**Conclusions and Implications**

The issues identified in this study seem to reflect the new economic order into which America is entering. They seem to suggest an increase in ethical issues resulting from increased technology, globlization, corporate social responsibility, corporate restructuring and downsizing, and environmentalism.

Consensus was clearly reached regarding the importance of the ethical issues identified by the panel of experts. Once panel members were given the opportunity to determine whether or not the original issue statements were

future ethical issues in Round III, consensus did not seem to be much of an issue. HRD professionals seem to be in agreement about key ethical issues such as recognizing people/employees as valuable resources to organizational survival, maintaining appropriate confidentiality, using power appropriately, maintaining professional honesty and integrity in practice, research and teaching, setting a leadership example and respecting the rights, dignity, and worth of all people.

From the data, the researcher determined that HRD professionals do consider social responsibility to be a pressing ethical issue. Issues identified as ethical issues facing HRD professionals related to social responsibility included promoting a more humane workplace (4.12), respecting the rights, dignity, and worth of all people (4.47), balancing the conflicting organizational demands of humanistic concerns and economic outcomes (4.23), assisting organizations in balancing the good of the organization with the good of the community (3.93), furthering a social justice agenda (3.36), addressing work/life balance issues of the worker (3.84) and managing tension between change and individual rights and dignity (3.79). The literature and the findings of this study suggest a move toward a greater awareness of CSR. Social issues were discussed in AHRD's Standards on Ethics and Integrity.

**How This Study Contributes to New Knowledge in HRD**

By identifying ethical issues in the field of HRD, the researcher hopes to assist in updating out-of-date research and in validating recent attempts at developing codes of ethics such as AHRD's Standards of Ethics and Integrity. Data gathered in the study will also contribute to the basis needed to establish a standardized code of ethics for the HRD field. Information obtained from this study will also provide valuable information that will assist HRD professionals in redesigning their roles and activities regarding ethics while at the same time establishing and identifying ethical issues that merit further research. Finally, this research suggests a move toward a greater awareness of CSR. The literature and the findings of this study indicate that social issues are considered pressing ethical issues to HRD professionals. It is recognized that this study is limited to consensus gathered from a small group of HRD professionals. Further research is necessary regarding the link between HRD and CSR.

**References**


Burns, J.Z, Dean, P.J., Hatcher, T., Otte, F.L., Preskill, H.P., & Russ-Eft, D. (1999). Standards on Ethics and Integrity. In K.P. Kuchinke (Ed.), ASTD 1999 Conference Proceedings: Vol. 2. (pp. 1-19). Baton Rouge: Academy of Human Resource Development.

Carnevale, A.P. (1991). America and the new economy. How new competitive standards are radically changing American workplaces. San Francisco: Jossey-Bass Publishers.

Carroll, A.B. (1979). A three-dimensional conceptual model of corporate social performance. Academy of Management Review, 4, 497-505.

Farmer, R.N., & Hogue, W.D. (1973). Corporate social responsibility. Chicago: Science Resource Associates, Inc.

Frederick, W.C. (1978). Theories of corporate social performance. In: P. Sethi and C. Falbe (Eds.), Business and Society. Lexington MA: Lexington Books.

Frederick, W.C. (1995). Values, nature, and culture in the American corporation. New York: Oxford University Press.

Giunta, J. (1976). Introduction to corporate social responsibility management. Chicago: Human Resources Network.

Hatcher, T.G. ( 1997). Improving corporate social performance: A strategic planning approach. Performance Improvement, 36, 23.Humble, J.H. (1973). Social responsibility audit: A management tool for survival. London: amacom

McLagan, P.A. (1989a). Models for HRD practice. Training & Development Journal, 43(9), 49-59.

McLagan, P.A. (1989b). Models for HRD practice: The models. Alexandria, VA: American Society for Training and Development.

Rothwell, W.J. (1996). ASTD models for human performance improvement: Roles competencies and outputs. Alexandria, VA: American Society for Training and Development.

Rothwell, W.J. & Sredl, H.J. (1992). The ASTD reference guide to professional human resource development roles and competencies (2d ed.). Amherst, MA: HRD Press, Inc.

Strauss, A., & Corbin, J. (1990). Basics of qualitative research. Newbury Park, CA: Sage Publications.

Wood, D.J. (1991). Corporate social performance revisited. Academy of Management Review, 16, 691-718.

Zemke, R. (1996). Is training a profession? Training, April, 1996, 8.

# The Social Responsibility Performance Outcomes Model

*Tim Hatcher*
*University of Louisville*

*Few Performance Improvement (PI) and Human Resource Development (HRD) models and processes addressed specific outcomes or identified needs and outcomes at the societal or environmental levels. This paper proposes a new conceptual model for HRD and PI scholars and practitioners that addresses the critical need to develop PI and HRD interventions that are socially and environmentally responsible.*

Keywords: Performance Improvement, Corporate Social Responsibility,Performance Improvement Models

While our world seems to shrink, companies expand and grow stronger. For the first time in recorded history, corporations are more powerful than many governments (Estes, 1996; Korten, 1995). Corporate power has the potential to greatly benefit society or drive a wedge between society and organizations. Thus, the impact that organizations have on employees, stakeholders, communities, society, and the environment is becoming more evident and, in many cases, more contentious.

Responsible companies need all available resources to meet the complex needs and challenges posed by the public, communities, the environment, and society. One proven resource in enhancing organizations and organizational performance, is the combined implementation of the functions of performance improvement (PI) and human resource development (HRD). These two functions have a tremendous opportunity and responsibility to aid in developing socially responsible companies.

To improve performance is to identify the system or subsystem requiring improvement and focus the analysis on outcomes. As long as outcomes are identified and clarified at appropriate societal and environmental levels then performance improvement has the potential to enhance corporate social responsibility. Because of the lack of focus on corporate social responsibility in business and industry and in the HRD and PI literature, the purpose of this paper is to propose a conceptual model of corporate social responsibility (CSR) from a performance outcomes perspective. The problem is that most applied processes and theoretical models do not address nor define outcomes *per se*. They focus primarily on economics and are noticeably silent on the impact of these models at both societal and environmental levels.

## Theoretical Framework

The relationship between HRD theory, practice, and outcomes remains controversial and ambiguous (Hatcher, 1998). While the relationship of theory and practice has generated moderate discussion (Swanson & Holton, 1997), inadequate attention has been given to the relationship between theory, practice, and outcomes of HRD, especially societal-level outcomes. This theoretical model is conceptualized from the empirical and atheoretical research literature on HRD and social outcomes (Kaufman, 1992, 1997; Hatcher, 1997, 1998).

An assumption that was made in developing this model was that current management practice should and in many cases does require organizational leaders to look beyond simple economics and address organizational responsibilities to communities, societies, and the environment. Although some corporate leaders and a few HRD scholars and practitioners criticize the notion of corporate social responsibility as being unrealistic or unnecessary, many others believe that being socially and environmentally responsible does not detract from corporate profits. In fact, empirical research shows that companies that are considered socially responsible are at least as competitive as organizations that are not, and will remain sustainable over a long time period ( Pava & Krausz, 1995; Tichy, N.M., McGill, A.R. & St. Clair, L, 1997).

*Copyright © 2000 Timothy Gary Hatcher*

## Methodology

The methodology used was a conceptual analysis based on a review of related HRD and performance improvement literature. Studies published between the 1970's and the present were reviewed for inclusion of social influences, outcomes, theoretical models, and related terms. Additionally, action research methods were pursued in two service-oriented organizations over a one year time period in an effort to identify conceptual themes and emergent constructs related to outcomes and corporate social responsibility. The action research approaches used included establishment of a project to incorporate social responsibility as an organizational performance outcome, identifying a project team consisting of line and functional managers, HRD personnel and the researcher, and creating action learning dialogue meetings for questioning, listening, and critical reflection ( Pedler, 1991). Results were synthesized into a performance outcomes conceptual model designed to enhance corporate social responsibility through human resource development and performance improvement.

## The Performance Outcomes Conceptual Model

Although there are certainly socially and environmentally responsible organizations, few PI and HRD models and processes were identified that address specific outcomes or identify needs and outcomes at the societal or environmental levels. Because of this omission, it is imperative that new concepts and models that provide better guidance on how to incorporate societal and environmental outcomes are developed and discussed. Assumptions for the present study include (a) corporate social responsibility is not a consistent outcome that most organizations and HRD or PI address, (b) organizations are responsible beyond economic responsibility, and (c) conceptual models are beneficial and provide an originating point for research and further consideration.

To insure that PI and HRD professionals are competent and therefore successful in their endeavor to improve CSR, it is important to develop better definitions of the role of PI and HRD in creating socially responsible companies. This can only come through active discussion and creative development of new conceptual models that focus on needs and outcomes at the societal and environmental levels.

### *The role of PI & HRD in CSR*

To better understand how HRD and PI influence CSR it is important to acknowledge that (a) concepts/models based on theory are the foundation of HRD and PI research, and (b) that applied models are the basis for PI and HRD practice. Although most logic-based models are 'too superficial" to explain the dynamics of organizational performance (Swanson, 1999, p.9), conceptual models that combine action learning and applied theoretical frameworks can provide a starting point for multidisciplinary approaches to organizational and societal change. A conceptual model is a theoretical representation of an applied or empirical procedure for solving a problem. What is missing from conceptual approaches is testing of validated relationships between components or variables. In order to characterize and eventually test variables, HRD/PI professionals must construct and mutually agree on specific 'outcomes". Additionally, the success of any conceptual or applied model depends on how well the model's primary components and concepts are defined.

Although identified as a component of performance, outcomes are not an integral part of many commonly used performance improvement and HRD theoretical and applied models. The current model evaluates the extent that an intervention meets needs established during a needs assessment. These needs are generally addressed only at the individual, process, and organization levels of performance. Figure 1 illustrates a common performance improvement model. Also, the importance of the role that definitions of concepts such as CSR play in making meaning and providing guidance in research and practice must also be acknowledged.

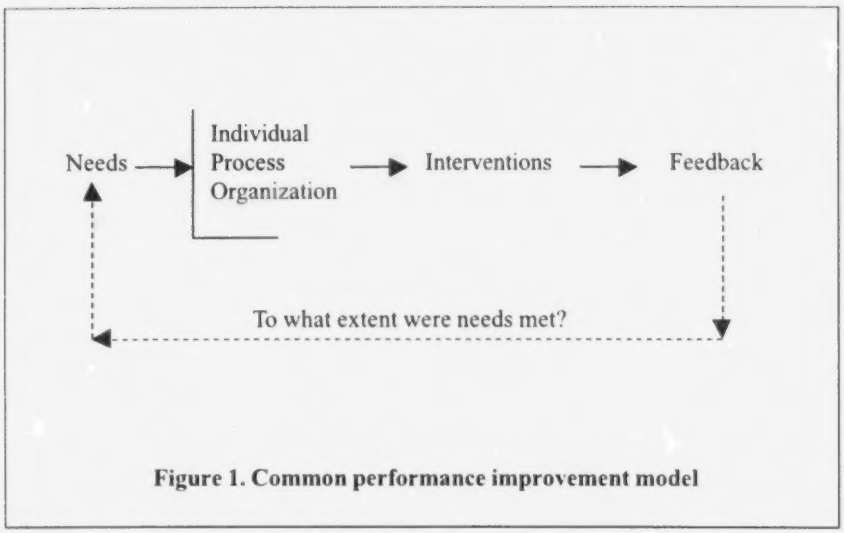



**Figure 1. Common performance improvement model**

Applied models such as the one illustrated above, although utilitarian, do not identify outcomes as a primary component, nor do they give specifics on what outcomes or results are expected or desired. Thus, interpretation of outcomes or results is left up to the user and may be inconsistent with needs. Furthermore, needs are generally identified only at the individual, process, and organizational levels. No common or readily identifiable models appeared to address CSR as a need or outcome.

It is ironic that neither performance improvement models nor common definitions of performance address outcomes or results for any particular reason nor identifies for whom or for what. According to Holton (1999) each profession views and defines performance differently. To date, HRD and PI have chosen to limit performance in terms of how it can impact people, processes, or an organization with little regard for communities or society.

Examples of popular performance improvement models include Rummler and Brache's (1995) individual, process, and organizational levels of performance, and Robinson and Robinson (1995), who identified performance improvement at the individual and organizational levels. Kaufman (1992) and Hatcher (1997) are two of the few authors/researchers that include societal level impact of PI and HRD in their published conceptual models.

Examples of definitions of performance include Brethower (1995), who defined performance as "a set of actions that accomplishes something, that yields a result" (p.23), and Swanson (1999) who defined it as "the valued productive output of a system in the form of goods or services"(p.5).

Without more complete models and better definitions of outcomes, PI and HRD efforts have no ethical framework, no way to consistently measure effects of interventions on society or the environment. Without such models to guide PI/HRD efforts outcomes may even be harmful to people and society. Without a focus on desirable and socially responsive outcomes, PI and HRD may never reach their potential of establishing productive and caring people and organizations that enhance society and the environment.

*The Social Responsibility Performance Outcomes Model*

Presently, PI and HRD professionals and academics view corporate social responsibility as either part of a mega-planning process (Kaufman, 1992; Kaufman, 1997), a strategic planning process (Hatcher, 1997), or as a part of HRD's theoretical foundations (Hatcher, 1998). Like the evolution and recognition of evaluation in PI and HRD, it is time for CSR to take its rightful place as the focal point of PI and HRD outcomes. In support of this need, Holton (1999) recently called for an integrated model of performance domains that may reflect an organization's relationship with society.

To illustrate the concept of societal needs and outcomes, Figure 2 is offered as a performance improvement model with corporate social responsibility (CSR) as its focus. The Social Responsibility Performance

Outcomes Model uses the same basic components of a universal PI process with an expansion of needs and the addition of outcomes. Needs are expanded to include community, societal, and environmental levels. Outcomes are specified at individual, process, organization, community, society, and environmental levels.

The model expands on common PI/HRD approaches since it addresses more holistic needs in terms of

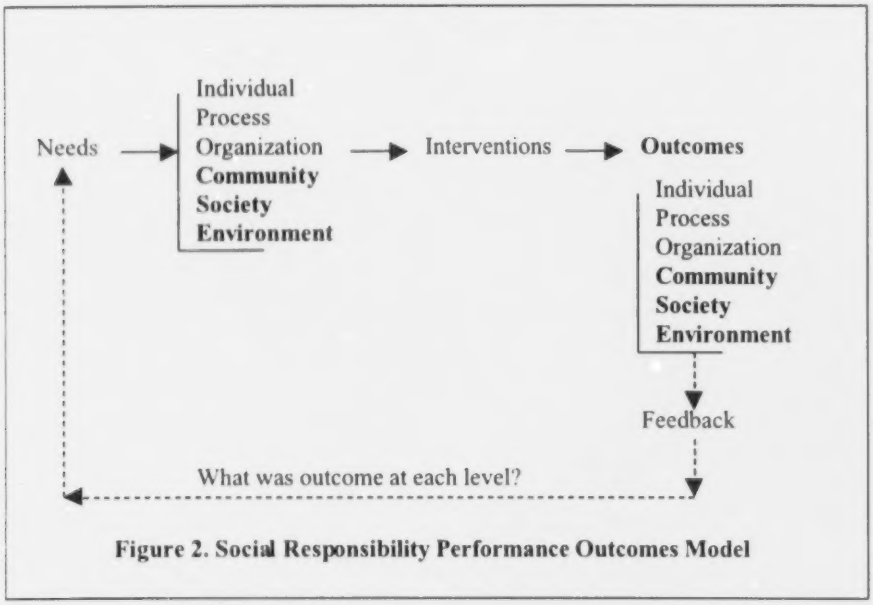



**Figure 2. Social Responsibility Performance Outcomes Model**

community, society, and the environment. For example, a typical needs assessment that focused on individual or organizational skills and knowledge could be expanded to include needs at the community, societal, and environmental levels.

In other words, the skills or knowledge that might be required to communicate with and develop the community, society, and the environment are identified. Once needs are established, interventions to address community, societal and environmental needs are designed and implemented. After implementation of applicable interventions, each level of performance is evaluated in terms of impact at each level, i.e., outcomes. For example, as part of an action research project, an organization completed a needs assessment and found that their reputation in the community had declined due to a general lack of communication around pollution and waste control. The company decided to invite community leaders to their next series of training in environmental management as well as hold a public forum on company activities around pollution control. Finally, feedback on the company's response was sought from the community through surveys and focus groups. Without the guidance of an applied performance improvement model requiring the company to address community needs, the decline in reputation could have escalated and evolved into a detrimental financial problem.

The success of a performance improvement model is partially dependent on how well primary components and concepts are defined. As stated previously, current and accepted definitions of performance are restricted. A more comprehensive definition of performance is needed if outcomes are expected beyond the individual, process, or organization levels. If performance improvement of communities, society, and the environment is desired, then a more holistic definition of performance than is currently available is needed. Performance is therefore defined as *outcomes of a systematic approach to positive and desired changes in the individual, processes, organization, community, society, and the environment*.

To establish the validity of a new concept or idea, conceptual models must be tried out. To date, the model described herein has been tested in two organizations with disappointing results. The first organization was a not-for-profit service organization with a primarily socially responsible mission. Thus, acceptance of the socially responsible outcomes model was less invasive than in the second organization which was a firm with a history of human rights concerns and a strong socially responsible mission statement. Management in the first organization agreed that the model "had merit", but implementation was inadequate because the concepts were never integrated

into operational or tactical plans as required to validate the model. The second firm's operations manager had initially embraced the conceptual model and was considering implementation in two locations when external economics forced several location closures and thus the termination of the project. Although application and validation of the Social Responsibility Outcomes Model has been less than favorable, the author continues to apply components of the model in every interaction and consultation with business and industry. Eventually, the model will be validated and hopefully viewed as beneficial in insuring organizational social as well as economic success.

Outcomes are not a part of commonly accepted PI and HRD models. Additionally, common performance improvement and human resource development models are primarily limited to influences on individuals, processes, and organizations. New PI and HRD models are needed that focus on outcomes at the community, societal, and environmental levels. The Social Responsibility Outcomes Model described herein offers PI and HRD professionals a starting point to positively impact the social responsibility of corporations within which they work and have influence.

**Conclusions and Closing Thoughts**

Organizations must assume more responsibility for their impact on communities, society, and the environment. "Organizations have to take social responsibility. There is no one else around in the society of organizations to take care of society itself. Yet they must do so responsibly, within the limits of their competence, and without endangering their performance capacity" (Drucker, 1993, p.97). Organizations must also understand that in the 21st century, they will be 'intertwined with global political, social, and environmental issues that will force them to redefine their role" (Tichy, McGill, & St. Clair, 1997, p. 4).

As organizations endeavor to prepare for the future, PI and HRD has an opportunity to assume a leadership role in helping them enhance their social responsibility through development of more appropriate PI/HRD models and definitions. The performance improvement model and definition of performance described in this paper offer an advance in PI and HRD designed to focus needs and outcomes at the community, society, and the environmental levels.

The late Dr. Malcolm Knowles said that 'any system, whether economic, environmental, or social can be seen as a system of learning...and when we understand this we perceive education in a different way" (M. Knowles, personal communication, April 8, 1995). HRD and PI are about educating, training, developing, and changing performance. What is currently required is a refocus on desirable and sustainable corporate needs and outcomes that enhance communities, society, and the environment.

In today's robust economic climate environmentalism, community development and other socially responsible interventions are abrogated to the economic "bottom line". Firms appear oblivious to the fact that the current myopic focus on profit with little or no consideration for other than economic responsibilities may have negative consequences to individuals, organizations, communities, the ecosystem, and society in the not so distant future. Therefore, performance improvement and human resource development professionals must recognize that "only those companies that manage to contribute to and sustain the communities in which they operate will be able to remain acceptable organizations in the public's eye in the 21 st century and beyond" (Tichy, McGill, & St. Clair, 1997, p. 369). If the right conceptual and practical choices are made today, HRD and PI can be instrumental in enhancing corporate social responsibility and thus insuring that life on Earth is protected and developed for future generations to come.

**How this model contributes to new knowledge in HRD and Performance Improvement**

Conceptual models are the intellectual underpinnings of HRD and PI research and practice. They provide a starting point for multidisciplinary approaches to organizational and societal change. Since outcomes are not a part of commonly accepted PI and HRD models, and since social, environmental, and community-based problems are ubiquitous in nature and monumental in complexity, new PI and HRD models are needed that focus on outcomes at the community, societal, and environmental levels. The Social Responsibility Outcomes Model described in this paper offers the HRD and PI community a starting point to positively impact the social responsibility of the organizations, in which they work and have influence.

**References**


Brethower, D.M. (1995). Specifying a human performance technology knowledgebase. *Performance Improvement Quarterly, 8* (52), 17-39.

Drucker, P.F. (1993). *Post-capitalist society*. HarperCollins Publishers. New York: NY.

Estes, R. (1996). *Tyranny of the bottom line: Why corporations make good people do bad things*. Berrett-Koehler

Publishers: San Francisco, CA.

Hatcher, T.G. (1997). Improving corporate social performance: A strategic planning approach. *Performance Improvement, 36*(9), 23-27.

Hatcher, T.G. (1998). The role of human resource development in corporate social responsiveness. In R.J. Torraco (Ed.), *Academy of Human Resource Development 1998 Conference Proceedings* (pp. 816-823). Academy of Human Resource Development: Oak Brook, IL.

Holton, E. F. (1999). Performance domains and their boundaries. In R.J. Torraco (Ed.), *Performance Improvement Theory and Practice* (pp. 26-46). The Academy of Human Resource Development: Baton Rouge, LA.

Kaufman. R. (1992). Strategic planning plus: An organizational guide. Sage: Newbury Park, CA.

Kaufman, R. (1997). A new reality for organizational success: Two bottom lines. *Performance Improvement, 36*(8), 3.

Korten, D.C. (1995). *When corporations rule the world*. Berrett-Koehler Publishers: San Francisco, CA.

Pava, M.L., & Krausz, J. (1995). Corporate social responsibility and financial performance. Greenwood Publishers:

Westport, CT.

Pedler, M. (1991). Action learning in practice. Gower Publishing: Brookfield, VT:

Robinson, J.C., & Robinson, D.G. (1995). *Performance consulting: Moving beyond training*. Berrett-Koehler: San Francisco, CA.

Rummler, G.A. & Brache, A.P. (1995). *Improving performance: How to manage the white space on the organization chart*. Jossey-Bass: San Francisco: CA.

Swanson, R (1999). Foundations of performance improvement and implications for practice. In R.J. Torraco (Ed.), *Performance Improvement Theory and Practice* (pp. 1-25). The Academy of Human Resource

Development: Baton Rouge, LA.

Swanson, R.A. & Holton, E.F. (1997). *Human resource development research handbook*. Berrett-Koehler: San Francisco, CA.

Tichy, N.M., McGill, A.R. & St. Clair, L. (1997). *Corporate global citizenship: Doing business in the public eye*. The New Lexington Press: San Francisco, CA.